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ABSTRACT

It would be to the advantage of cable operators to identify, in advance, those subscribers who have a high probability of voluntarily disconnecting their service, in order to develop strategies to anticipate and address the factors that might potentially lead to disconnection. A study developed a method for identifying likely disconnecters. Subjects, 456 former subscribers from Dallas, Des Moines, Iowa, and South Bend, Indiana, were given a questionnaire and then divided into three groups according to their responses: (1) rejecters--those who decide not to adopt an innovation after an initial trial period; (2) replacers--those who replace one innovation with a better or superseding one; and (3) disenchanteds--those who discontinue an innovation due to dissatisfaction with some aspect of it. Results indicated that the unsettled nature of the respondents may make it difficult to develop strategies to curtail disconnections. Findings also showed that the less likely the decision to subscribe is made by the head of the household the more likely that disconnection will follow; this suggests that cable operators should try to convince the head of the household that cable is a worthwhile addition to the household directing promotions less toward children and others and more toward the household head. (Sixteen notes and six tables are included, and a questionnaire is appended.) (MS)

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WHY SUBSCRIBERS DROP CABLE TELEVISION: CHARACTERISTICS OF THREE GROUPS

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Cable television was created more than 40 years ago to provide some television reception to remote communities. More recently that role has shifted to providing improved reception and a greater variety of programming than that provided by broadcast television. And recent growth has been impressive. By the end of 1987, more than half of all American homes with television sets received their picture through privately owned wires instead of over the air.

However, the cable industry faces a dilemma regarding short-lived subscriptions, often referred to as the "churn" rate. Many people will subscribe to cable for a short period of time and then have the service disconnected. This "leaky bucket" syndrome received little attention during cable television's phenomenal growth period in the 1960s and '70s. As penetration comes closer to its potential level of saturation, retention of customers has increased in importance.

A recent CableMark study indicated that 27 percent of cable subscribers eventually have their service disconnected.[1] Several marketing executives interviewed as part of a Cable Television Administrative and Marketing Society study stressed the high cost associated with customers disconnecting or downgrading their service. It is estimated that the cost, to the operator, of a disconnect could be well over $30.[2]

Given the costs associated with disconnecters, it is to the advantage of cable operators to minimize churn. Perhaps strategies can be developed to anticipate and address the factors that might potentially lead to disconnection. But, in order to develop appropriate strategies, it is first necessary to identify, in advance, those subscribers who have a high probability of disconnection. This paper reports a study aimed at developing a method for identifying likely disconnecters.

LITERATURE REVIEW

This study used as its basis the disadoption process, essentially the reverse of the adoption process that has been widely used to study the diffusion of innovations. The disadoption process examines the behaviors, patterns and processes that describe a stage in the diffusion process where adopters decide to discontinue the use of an innovation. Previous adoption and disadoption research was especially valuable for this study because it provided the means to examine not only the large mass of those who discontinue use of an innovation but also subgroups that discontinue for different reasons.

The diffusion of innovations model provides a general framework for describing the rate of acceptance for a new idea, product or pattern of behavior within a social system.[3] The model has been applied to several fields of study including sociology, education, public health, communication and marketing. The two major components of innovation research, in most cases, have been the adoption decision and the diffusion process. One of the most studied areas has been the individual's decision to adopt or reject an innovation.

Rogers employed concepts from learning theory, cognitive dissonance and general decision-making processes to propose a five-step model of the innovation decision-making process:

1) knowledge -- the individual is exposed to the innovation by personal contact or social interaction;
2) persuasion -- the individual forms a favorable or unfavorable attitude toward the innovation;
3) decision -- the individual engages in activities that lead to a choice to adopt or reject the innovation;

4) implementation -- the individual puts the innovation into use if the decision is to adopt;

5) confirmation -- the individual seeks reinforcement about the decision to adopt or reject.[4]

In the confirmation stage, individuals make another decision with four possible outcomes. If adopted, the innovation may be used further, or disadopted later. If rejected, further consideration may result in continued rejection or, in rare cases, later adoption. An adopter may decide to disadopt because of dissatisfaction with the innovation or some aspect of it (disenchantment), or in order to adopt a new or better superseding innovation (replacement).[5]

Relatively little research has been focused on the continuance/disadoption decisions of adopters and the resulting disadoption process. When studied, the topic has generally been of ancillary interest. The importance of studying post-adoption behavior is exemplified by Leuthold in a study of improved farm practices. He noted that the:

> number of practices used at a particular time. . . is a function of both adoption and (disadoption). Thus, high level of use is. . . a result of high adoption and high continuance, while low level use may result from either low adoption or high (disadoption).[6]

Other researchers have identified characteristics of disadopters and the influence they have on the rate of adoption. When comparing adopters of a large number of innovations with those adopting relatively fewer, Silverman and Bailey[7] and Bishop and Coughenour[8] found a decrease in the proportion of innovations disadopted. Leuthold found what he termed a "negative interaction effect" regarding the role of interpersonal communication and stated:

> . . . the influence of those who (disadopt) an improved practice in curtailing adoption of the practice may be greater than the influence

of those who continue in promoting adoption.[9]

Several researchers have suggested a negative relationship between innovativeness and disadoption.[10] People exhibiting a greater tendency toward continuance generally exhibit characteristics associated with greater innovativeness. Those having a greater tendency toward disadoption have been shown to have lower opinion leadership status, less communication exposure, lower socioeconomic status and less education. These are the same characteristics as laggards, those who are the last to adopt an innovation, who in fact do have a higher rate of disadoption.

Cable industry marketing research has indicated a general demographic profile of people who have their service disconnected. Former subscribers tend to be primarily under 45 years old, have large households, have middle level incomes and tend to rent rather than own their homes.[11]

METHODOLOGY

Data were collected via a mail survey in September-October 1987 utilizing the method proposed in Dillman.[12] An initial mailing including the questionnaire and a letter explaining the study was sent the first week in September. Approximately three weeks later a reminder postcard was mailed to subjects who had not yet returned the questionnaires. Approximately two weeks later a third packet containing a follow-up letter and a second questionnaire was mailed to the nonrespondents.

A total of 1,520 former cable subscribers who had voluntarily had their service disconnected was randomly drawn from lists of all former subscribers in Dallas, Des Moines, Iowa and South Bend, Ind.[13] Commercial businesses were eliminated, resulting in a sample of 1,513 -- 506 from Dallas, 508 from Des Moines, and 499 from South Bend.

The usable responses totalled 456, yielding a sampling error of 4.589 percent at the 95 percent confidence level.

Three groups were studied in the project: rejecters -- those who decide not to adopt an innovation after an initial trial period[14]; replacers -- those who replace one innovation with a better or superseding one; and disenchanteds -- those who disadopt an innovation due to dissatisfaction with some aspect of it.[15]

Past marketing research indicated that people who subscribe for one full year are likely to continue service. One year seems to be the difference between a trial period and adoption of cable television.[16] Therefore, respondents were first divided into two groups based on their length of subscription. Those who subscribed for less than one year were classified as rejecters. Those who subscribed for one year or more were classified as disadopters. The disadopters then were divided into replacers and disenchanteds. A respondent who owned a satellite dish antenna, or owned a video cassette recorder/player and rented five or more tapes per month was classified as a replacer. All other respondents were classified as disenchanteds.

Since the goal of the study was to develop a means of identifying members of the three groups, independent variables were chosen to respresent a broad range of dimensions along which disconnecters might be expected to vary. Included were variables measuring:

-- demographics

-- conditions under which respondents subscribed

-- viewing habits and preferences

-- performance of cable operators

Questions measuring the variables that survived the analyses are listed

in the appendix. In questions where there was an option of responding "not sure" (coded as 9), those responses were eliminated to avoid confusing the data analyses.

After dividing all usable responses into the three groups, step-wise discriminant analyses were conducted to determine how well the independent variables discriminated between the groups. Further analysis yielded classification function coefficients for each group -- essentially equations that predict group membership and permit comparisons between groups. Finally, the predictive abilities of the classification functions were tested by determining how many of the respondents' group memberships could be correctly predicted.

Results

The results indicate that the study was relatively successful in discriminating among the three groups of cable disconnecters, as indicated by the significant canonical correlations reported in Tables 1 and 4. In addition, the classification functions reported in Tables 2 and 5 were able to correctly predict 73.35 percent of group membership of rejecters and disadopters (Table 3) and 85.71 percent of group membership of replacers and disenchanteds (Table 6).

The results of the analyses are presented in three stages: first, as an overview of the characteristics of the entire sample of respondents (disconnecters); second, as an examination of the differences between rejecters and disadopters; third, as an examination of differences between the two groups that make up the disadopters -- replacers and disenchanteds.

It should be noted that since the classification functions report results in unstandardized coefficients, they cannot be compared within the

equation as they can in, for instance, multiple regression analysis. However, differences between groups can be compared on the same variable.

Characteristics of Disconnecters

Table 2 presents the information to make some generalizations about disconnecters as a whole. (Note: The number-letter combination following each variable in Tables 2 and 5 are coded to the specific questions in the appendix.)

The results indicate that, from a demographic standpoint, disconnecters tend to be older and single, live with other adults but apparently not children, rent their homes and are not very highly educated.

In the area of services provided on cable, the disconnecters seem to be generally satisfied, with some notable exceptions. Given as major reasons for dropping service were too little religious programming and insufficient variety of movies offered. It is apparent that many disconnecters buy VCRs prior to dropping cable, which perhaps is an indication that they are substituting rented movies for cable movies. They do, however, also see cable as distinctly different in programming from standard television since they expect more sports and news from cable than from standard television. There is no evidence in the results that they don't receive the greater amount of sports and news that they expect.

Maintenance doesn't seem to be a problem since disconnecters indicate that service is dependable in stormy weather and that service people do show up on time. They rate cable as providing better reception than does standard television.

On the topic of subscribing, cost is an important factor but they tend not to subscribe during special promotions, and consequently they pay higher than average prices for installation. The respondents in this study have a

history of multiple disconnections, but indicate that they are not likely to resubscribe within the next year. Finally, the way the possible responses to the item "Who made the decision to subscribe" were coded, the results indicate that someone other than the head of the household made the most recent decision to subscribe.

Differentiating Between Rejecters and Disadopters

Table 2 shows that the coefficients of the independent variables predicting group membership of both rejecters and disadopters tend to be rather similar. In fact, only four of the variables indicate relationships to the two groups that vary in direction, and only three of those variables appear to be significant. The unreliability of cable in stormy weather and the number of persons in the household aged 25 through 34 both are negative predicters of the rejecter group and positive predicters of disadopters. The statement "there is too much to choose from on cable" is a positive predicter of rejecters and a negative predicter of disadopters. The statement "cable television doesn't offer that much different from standard television" is a very weak predicter of rejecters and a very weak negative predicter of disadopters.

The results with the remainder of the variables are a matter of degree of prediction in the same direction. On the characteristics of the two groups, the results indicate that rejecters tend more toward being single than do disadopters, live with fewer people and those people are less likely to be children under age 12, are somewhat younger and less educated, and are more likely to rent their homes than are disadopters.

In the area of their attitudes toward what cable offers, rejecters find sports coverage more important than do disadopters, and news coverage relatively less important. Rejecters are more likely than disadopters to

disconnect because of too little variety in movies offered, and possibly as a consequence are more likely to own VCRs. However, disadopters are more likely to agree that movie channels tend to rerun the same movies. Disadopters are more likely to disconnect because of too little religious programming.

Both groups seem generally pleased with the quality of service the cable company provides although rejecters are somewhat more likely to agree that reception is improved by cable.

Rejecters are more likely than disadopters to consider cost a factor in subscribing and subscribe during special promotions, yet they also pay more for installation. Rejecters have had cable disconnected more times than have disadopters and are somewhat less likely to have it reconnected in the next year. Rejecters also have more cable-ready sets than do disadopters. Finally, the head of the household in the rejecter group is less likely to have made the decision to subscribe than is the counterpart in the disadopter group.

Differentiating Between Replacers and Disenchanteds

While the equation in Table 2 features a considerable sameness between rejecters and disadopters, when the disadopters are broken down to replacers and disenchanteds, as shown in Table 5, the results are more dramatic.

The demographics indicate that while replacers are only slightly more likely to rent their homes than are disenchanteds, replacers have many more children aged 12 through 18 and are much less educated than disenchanteds.

Given the number of children replacers have, it is not surprising that the availability of expanded childrens' programming is much more important to them in deciding to subscribe than it is to disenchanteds. However, replacers apparently don't see cable as much help in keeping children

occupied. In deciding to subscribe, replacers are not as interested in religious programs as are disenchanteds, but they are more interested in news and sports, although both news and sports are also of considerable importance to disenchanteds. In fact disenchanteds are dissatisfied with national news on standard television while replacers are moderately satisfied. Replacers are weakly dissatisfied with local news on standard television while disenchanteds appear relatively satisfied. And both groups are dissatisfied with the amount of sports offered by cable, with replacers considerably moreso.

Neither group finds lack of cultural events and specials of much importance in cable programming, although replacers are dissatisfied with such programming on standard television while disenchanteds are somewhat satisfied. Replacers apparently are very satisfied with musical events and specials on standard television and disenchanteds are somewhat less so. Replacers disagree with the statement "there is too much to choose from on cable television," something which disenchanteds appear ambivalent about. And both groups strongly agree that "cable television doesn't offer that much different from standard television," although they also agree that cable does improve reception.

Movies in general appear to be important to both groups. Both agree that they like to watch "classic" movies and would rather watch at home than in theaters. Unfortunately for cable, both also agree that movie channels rerun the same movies and that VCR movie rentals are a better value than cable. However, replacers disagree with disenchanteds who say movie rentals are not cheaper than movie channels.

When making the decision of whether to subscribe, neither group considers price of much importance, and in fact tend not to subscribe during

special promotions. It is important to replacers, but not disenchanteds, that the cable company have helpful, knowledgeable personnel to handle problems. Both groups have disconnected from cable numerous times.

Finally, as expected replacers have many more home entertainment electric appliances than do disenchanteds, although number of entertainment appliances is also a relatively strong predicter of membership in the disenchanted group.

CONCLUSIONS

A pattern in the results that does not bode well for cable companies in trying to curtail disconnections, and the consequent costs involved, is the possibly unsettled nature of the respondents. The tendency of disconnecters to rent their housing and also to have a history of multiple disconnections may indicate they are changing residence relatively often. If this is true, these groups probably are not disconnecters in the sense that they never plan to resubscribe and are a lost audience. In this scenario it makes no sense for the cable operators to try and keep them from disconnecting, since it is not cable service but transiency that is causing the problem. This possibility indicates a need to determine the possibly transient nature of disconnecters in future studies, perhaps by measuring the length of residence at specific addresses over the past several years.

A finding somewhat contradictory to the scenario of chronic connection/disconnection is the response by disconnecters that they are not likely to resubscribe within the next year. However, it is possible that it is a short-lived response, perhaps brought on by the questionnaire in this study that may have reminded subjects of all the negatives connected with cable, and that respondents will continue their history of connecting and

disconnecting. In fact a second possible scenario is that disconnecters are not transient at all, but rather subscribe to cable, are dissatisfied with it, drop their subscriptions, are enticed back to cable by the perceived promise of improvements, are again dissatisfied with cable, etc. The good news for cable operators in this scenario is that there are probably additional opportunities for this population to become continuous subscribers in the future. The question is, how can these customers be retained when next they subscribe?

For the sample as a whole, the most obvious finding is that the less likely the decision to subscribe is made by the head of the household the more likely that disconnection will follow. This may indicate a situation where a person is more willing to decide someone else's decision-making is faulty. It also suggests an approach by cable operators to convince the head of the household that cable is a worthwhile addition to the household, perhaps directing promotions more away from children and others, and to the household head. If the cable operator cannot convince the head of the household of cable's worth, the company may be money ahead by not encouraging subscription for this group.

Looking individually at the three groups making up disconnecters, they appear to be best differentiated along two main dimensions -- demographics and viewing preferences.

Rejecters

Rejecters (those who drop cable after less than one year subscription) are members of what might be called mature families or mature households. They tend to be older than members of the other groups, and single, although there also tend to be several adults living together, several apparently

with their own television sets.

Although the information on viewing preferences is scant, it appears they want a variety of movies, like sports and do not particularly care about news.

Two findings indicate that the key to retaining rejecters appears to lay with providing a wider variety of movies on basic cable. First, since cost is an important consideration to rejecters, it is likely that they will not, or cannot, pay for the individual movie channels, therefore the basic system has to provide more variety on its own. Second, since rejecters indicate a tendency to buy video cassette recorders before dropping their subscriptions, they may be relying on rented or pirated movies to fill this need.

Replacers

Replacers (those who replace cable with other electronic entertainment and information sources) are members of young families, with children in the 12-18 year old range. Replacers are the least educated of the three groups.

Not surprisingly, replacers appear to be strongly children-oriented in their programming preference, and indicate that cable does not satisfy that preference. In addition, replacers seem to want more news and sports than is available on standard television. They also want more movies, than are available on either cable or standard television, and apparently fill this want with rented movies for their VCRs. Otherwise, replacers are relatively satisfied with standard television.

The key to serving the replacer group seems to be to provide more and better children's programming. However, more detailed information is needed to determine the specific types of children's programming that is desired.

For example, if replacers are renting large numbers of movies, what types are intended for their children? This information would help determine possible programming changes necessary to retain this group.

Disenchanteds

This group is the most educated of the three and has few children. Unfortunately, the analysis did not include other demographics, such as age and income, so it is difficult to describe this group in a social way, although its members do show some vague tendency toward being Yuppies.

Disenchanted is a good term to describe the members of this group. The evidence is that they find cable offers little more than standard television. They express a desire for more national news, movies and religious programming, but apparently are not satisfied with cable or standard television offerings in those areas.

With the available information it is difficult to formulate much in the way of strategy to address the needs of this group. It may be that the disenchanteds are, in general, not very enamored with the electronic information and entertainment systems available today and possibly represent a group that is better left ignored by cable operators.

One final observation of the results is worth mentioning. It was expected that equipment breakdown and other service-related factors would be important in subscriber decisions to disconnect. This is the cable equivalent of newspaper subscribers dropping a paper because of poor delivery and other service-related factors connected with that medium. Such was not the finding. This may mean that cable has become dependable enough that service is no longer a factor or that cable service is no worse than that of standard television.

FOOTNOTES

[1]"Can Cable Stem Tide of Disconnects?" Marketing and Media Decisions, Jan. 1984, p. 52.

[2]Kenneth L. Bernhardt, Designing and Measuring Effective Retention Marketing Techniques, Cable Television Administrative and Marketing Society, Inc., Aug. 1984, p. 3.

[3]Everett M. Rogers, Diffusion of Innovations, 3rd ed. (New York: Free Press, 1983) pp. 1-34.

[4]Ibid., pp. 163-4.

[5]Ibid., pp. 184-8.

[6]Frank O. Leuthold, "Discontinuance of Improved Farm Innovations by Wisconsin Farm Operators," (Ph.D. dissertation, University of Wisconsin, 1967) p. 106.

[7]Leslie J. Silverman and Wilfrid C. Bailey, "Trends in the Adoption of Recommended Farm Practices, Alcorn County, Mississippi, 1954-1957," Mississippi Agricultural Experiment Station Bulletin 617 (April 1961).

[8]Rowland Bishop and C. Milton Coughenour, Discontinuance of Farm Innovations (Columbus: Departmental Series, Department of Agricultural Economics and Rural Sociology, Ohio State University, A.E. 361, 1964).

[9]Leuthold, p. 105.

[10]For example Leuthold; Paul J. Deutschmann and A. Eugene Havens, "Discontinuances: A Relatively Uninvestigated Aspect of Diffusion," unpublished paper (Madison: University of Wisconsin, Department of Rural Sociology, 1965); Eugene A. Wilkerning, Acceptance of Improved Farm Practices (Raleigh: North Carolina Agricultural Experiment Station Technical Bulletin 98, 1952).

[11]Lord, Sullivan and Yoder, Inc., "Heritage Communications Non-subscriber Study: Conclusions and Recommendations," Des Moines, Iowa, 1985.

[12]Don A. Dillman, Mail and Telephone Surveys: The Total Design Method (New York: John Wiley, 1978).

[13]Former subscriber lists were provided by Heritage Communications, Inc., Des Moines, Iowa, which helped fund this study.

[14]Rogers, pp. 172-3.

[15]Ibid., pp. 186-8.

[16]Lord, Sullivan and Yoder, Inc.

TABLE 1: CANONICAL DISCRIMINANT FUNCTIONS FOR REJECTER AND DISADOPTER GROUPS

PERCENT OF VARIANCE	CANONICAL CORRELATION	WILKS' LAMBDA	CHI-SQUARED	DF	SIG.
100.0	.5024690	.7475249	118.72	28	.0000

TABLE 2: CLASSIFICATION FUNCTION COEFFICIENTS FOR REJECTER AND DISADOPTER GROUPS

VARIABLE	REJECTERS	DISADOPTERS
Who made the decision to subscribe (1)*	3.39235	3.01503
Subscribed during a special promotion (2)	1.59869	1.80447
Amount paid for installation (3)	.69765	.54797
How many working sets are cable ready (4)	.62213	.39515
Importance of cable offering more sports than networks in decision to subscribe (5b)	.81755	.63156
Importance of cable offering more news than networks in decision to subscribe (5e)	.46572	.73496
How many times was service disconnected prior to most recent time (6)	.93326	.63538
Importance of cable offering less childrens' programming than I expected in decision to disconnect (7b)	-.54620	-.28856
Importance of cable not offering a wide enough variety of movies in decision to disconnect (7c)	.85969	.48602
Importance of cable offering too little religious programming in decision to disconnect (7e)	.28169	.52130
Likelihood of resubscribing in the next year (8)	.93592	.84150
There is too much to choose from on cable (10c)	.16681	-.18583
Cable provides better reception of standard channels (10d)	.74110	.58324
The pay movie channels just run the same things over and over (10f)	.11324	.31742

TABLE 2: CONTINUED

VARIABLE	REJECTERS	DISADOPTERS
Cable servicemen almost never show up when they're supposed to (10g)	-.02635	-.23174
Cable fails during almost every storm (10h)	-.17801	.20219
Cable helps keep children occupied (10i)	.03308	.25422
Cost is always a factor when considering cable (10j)	.63265	.53998
Cable television doesn't offer that much different from standard television (10k)	.01550	-.09514
Bought a VCR prior to disconnection (12)	-.41471	-.77797
Own or rent your home (13)	1.93115	1.55797
How many people live in home (14)	.76209	.92748
Number of persons in household under age 12 (15)	-.40734	-.78808
Number of persons in household aged 25 through 34 (15)	-.26560	.20388
Age of respondent (16)	1.08605	1.29040
Education of respondent (17)	.31150	.44078
Marital status of respondent (18)	1.42539	.80880
CONSTANT)	-18.34132	-18.14395

*Number corresponds to question wording and coding as shown in appendix.

TABLE 3: GROUP CLASSIFICATIONS OF REJECTERS AND DISADOPTERS

		PREDICTED GROUP MEMBERSHIP	
ACTUAL GROUP	NO. OF CASES	REJECTERS	DISADOPTERS
REJECTERS	164	124 (75.6%)	40 (24.4%)
DISADOPTERS	260	73 (28.1%)	187 (71.9%)
UNGROUPED	32	12 (37.5%)	20 (62.5%)

PERCENT OF GROUPED CASES CORRECTLY CLASSIFIED = 73.35%

TABLE 4: CANONICAL DISCRIMINANT FUNCTIONS FOR REPLACER AND DISENCHANTED GROUPS

PERCENT OF VARIANCE	CANONICAL CORRELATION	WILKS' LAMBDA	CHI-SQUARED	DF	SIG.
100.0	.6347633	.5970756	111.39	26	.0000

TABLE 5: CLASSIFICATION FUNCTION COEFFICIENTS FOR REPLACER AND DISENCHANTED GROUPS

VARIABLE	REPLACERS	DISENCHANTEDS
Subscribed during a special promotion (2)	3.04563	2.65772
Importance of reasonable prices in decision to subscribe (5a)	-.10664	.14127
Importance of religious programming in decision to subscribe (5c)	-.17865	.35138
Importance of helpful, knowledgable to handle questions or complaints in decision to subscribe (5d)	.35517	.08917
Importance of more news than on standard television in decision to subscribe (5e)	1.06789	.77832
Importance of more childrens' programs than on standard television in decision to subscribe (5f)	.94847	.46500
How many times was cable disconnected prior to most recent time (6)	1.77389	1.40151
Importance of cable offering less sports programming than I expected in decision to disconnect (7a)	1.12033	.55219
Importance of cable offering too few cultural events and specials in decision to disconnect (7d)	-.73900	-.28318
Satisfaction with national news coverage on standard television (9a)	.19242	-.33672
Satisfaction with cultural events and specials on standard television (9b)	-.20961	.18157
Satisfaction with musical events and specials on standard television (9c)	.60825	.28146
Satisfaction with local news coverage on standard television (9d)	-.09846	.25234

TABLE 5: CONTINUED

VARIABLE	REPLACERS	DISENCHANTEDS
I like to watch old "classic" movies (10a)	.46569	.31472
I would rather watch movies at home than go to a theater (10b)	1.83738	1.64580
There is too much to choose from on cable television (10c)	-.62641	-.01672
Cable provides better reception of standard channels (10d)	.53374	.26598
VCR movie rentals are a better value than pay cable television (10e)	.80307	.56170
The pay movie channels just run the same things over and over (10f)	.49534	.30177
Cable television helps keep children occupied (10i)	-.78376	-.16461
Cable television doesn't offer that much different from standard television (10k)	.39206	.73934
It is cheaper to rent VCR movies than to subscribe to movie channels (10l)	.27515	-.11704
Number of home entertainment electric appliances owned (11)	2.13929	.93142
Own or rent your home (13)	4.39032	3.90967
Number of persons in household aged 12 through 18 (15)	1.06637	.03297
Education of respondent (17)	.18861	.77115
(CONSTANT)	-21.61818	-15.96500

TABLE 6: GROUP CLASSIFICATIONS OF REPLACERS AND DISENCHANTEDS

		PREDICTED GROUP MEMBERSHIP	
ACTUAL GROUP	NO. OF CASES	REPLACERS	DISENCHANTEDS
REPLACERS	48	40 (83.3%)	8 (16.7%)
DISENCHANTEDS	183	25 (13.7%)	158 (86.3%)
UNGROUPED CASES	29	9 (31.0%)	20 (69.0%)

PERCENTAGE OF GROUPED CASES CORRECTLY CLASSIFIED = 85.71%

APPENDIX

Variables analyzed in the study were represented by the following questions:

1. Who in your household made the decision to subscribe to cable TV?

    1. Myself primarily
    2. Myself and someone else
    3. Someone else primarily
    9. Not sure

2. Did you originally subscribe to cable TV during a special promotion, such as a free preview weekend or free installation period?

    1. Yes
    2. No
    9. Not sure

3. Considering the last time you had cable TV hooked up to your home, how much did you pay for that installation?

    1. Free
    2. Under $10.00
    3. $10.00 to $20.00
    4. $20.00 to $30.00
    5. $30.00 or more
    9. Not sure

4. How many working television sets in your home are cable ready?

5. Listed below are some features of cable TV that you may have considered prior to subscribing. Please read each item carefully and then rate each one in terms of its importance to you in your decision on whether or not to subscribe to cable TV service.

    Please rate each item on the following scale:

    Not at all important 1 2 3 4 5 Very important

    a. Reasonable prices for the various cable services
    b. More sports programs than were available on standard TV
    c. Religious programs
    d. Helpful and knowledgable people who handle questions or complaints over the telephone
    e. More news programs than were available on standard TV
    f. More children's programs than were available on standard TV

6. How many times have you had all or part of your cable TV service disconnected prior to the last time?

7. Listed below are several aspect of cable TV. We would like to know how much influence each aspect had on your decision to have your cable TV service disconnected.

    Please read each item carefully and then rate each one in terms of its

importance to you in your decision to have your cable service disconnected. Please rate each item on the following scale:

Not at all important 1 2 3 4 5 Very important

a. Cable offered less sports programming than I expected
b. Cable offered less children's programming than I expected
c. Cable didn't offer a wide enough variety of movies
d. Cable offered too few cultural events and specials
e. Cable offered too little religious programming

8. How likely do you think it is that you will subscribe to cable TV in the next year or so?

1. Definitely will or 100% chance
2. Probably will or 75% chance
3. Might or 50% chance
4. Probably will not or 25% chance
5. Definately will not or 0% chance
9. Not sure

9. Now, we'd like to know how satisfied you are with various features of standard TV, or television you receive with a regular antenna even if you don't have cable service. Please read each item carefully and then rate each on how satisfied you are with it.

Please rate each item on the following scale:

Very dissatisfied 1 2 3 4 5 Very satisfied

a. National news coverage
b. Cultural events and specials
c. Musical events and specials
d. Local news coverage

10. Another important purpose of this study is to learn more about how you think and feel about TV programs, cable TV and cable companies.

Please answer each of the following statements as best you can based on your own experiences, your opinions or anything else you may have seen or heard. Please rate each statement on the following scale:

Strongly disagree 1 2 3 4 5 Strongly agree

a. I like to watch old "classic" movies
b. I would rather watch movies at home than go to a theater
c. There is too much to choose from on cable TV
d. Cable TV provides better reception and a better picture for the standard TV channels
e. VCR rental movies are a better value than pay cable TV
f. The pay movie channels just run the same things over and over
g. Cable TV repairmen and installers almost never show up when they're supposed to
h. Cable TV reception goes in and out practically every time there is a hint of a storm

i. Cable TV helps keep children occupied
j. The cost is always a factor when considering cable TV
k. Cable TV doesn't offer that much different from standard TV
l. It is cheaper to rent movies for the VCR than to subscribe to the cable TV movie channels

11. Which of the following do you currently own?

1. Video cassette recorder/player
2. Home satellite dish antenna
3. Stereo sound system
4. Home computer
5. Phone answering machine
6. Video disc player
7. Compact disc player
8. Stereo television set

12. Which of the following, if any, did you purchase prior to having your cable TV service disconnected the last time? (yes=1, no=2)

1. Video cassette recorder
2. Home satellite dish
3. Video disc player
4. Stereo television set

13. Do you own or rent your home?

1. Own
2. Rent

14. How many persons, including children and adults, currently live in your household?

15. How many of these persons are:

Under age 12
Ages 12 thru 18
Ages 19 thru 24
Ages 25 thru 34
Ages 35 and older

16. What is your age?

1. Under 18
2. 18 thru 24
3. 25 thru 34
4. 35 thru 44
5. 45 thru 49
6. 50 thru 54
7. 55 thru 64
8. 65 and older

17. How much formal education have you had?

1. High school or less
2. Graduated high school
3. Attended trade or technical school
4. Attended college
5. Graduated college
6. Master's or Ph.D. degree

18. Which of the following best describes your current marital status?

1. Married
2. Single